



7020-02

## INTERNATIONAL TRADE COMMISSION

### Investigation No. 337-TA-698 (Enforcement Proceeding)

#### CERTAIN DC-DC CONTROLLERS AND PRODUCTS CONTAINING SAME

#### DECISION TO AFFIRM-IN-PART, REVERSE-IN-PART, MODIFY-IN-PART, AND VACATE-IN-PART AN ENFORCEMENT INITIAL DETERMINATION FINDING A VIOLATION OF THE AUGUST 13, 2010 CONSENT ORDER; ISSUANCE OF MODIFIED CONSENT ORDER AND CIVIL PENALTY; AND TERMINATION OF ENFORCEMENT PROCEEDING

**AGENCY:** U.S. International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission has determined to affirm-in-part, reverse-in-part, modify-in-part, and vacate-in-part an enforcement initial determination (“EID”) of the presiding administrative law judge (“ALJ”) finding a violation of the August 13, 2010 consent order (“Consent Order”) by respondent uPI Semiconductor Corp. (“uPI”) of Hsinchu, Taiwan, and has issued a modified consent order and civil penalty order in the amount of \$620,000 directed against uPI.

**FOR FURTHER INFORMATION CONTACT:** Clint A. Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, D.C. 20436, telephone (202) 708-2310. Copies of all nonconfidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, D.C. 20436, telephone 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov/>. Hearing-impaired persons are advised that information on the

matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810.

**SUPPLEMENTARY INFORMATION:** The Commission instituted this enforcement proceeding on September 6, 2011, based on an enforcement complaint filed by Richtek Technology Corp. of Hsinchu, Taiwan and Richtek USA, Inc. of San Jose, California (collectively "Richtek"). 76 *Fed. Reg.* 55109-10. The complaint alleged violations of the August 13, 2010 consent orders issued in the underlying investigation by the continued practice of prohibited activities such as importing, offering for sale, and selling for importation into the United States DC-DC controllers or products containing the same that infringe one or more of U.S. Patent Nos. 7,315,190 ("the '190 patent"); 6,414,470 ("the '470 patent"); and 7,132,717 ("the '717 patent"); or that contain or use Richtek's asserted trade secrets. The Commission's notice of institution of enforcement proceedings named uPI and Sapphire Technology Limited ("Sapphire") of Shatin, Hong Kong as respondents.

On April 11, 2012, the Commission issued notice of its determination not to review the ALJ's ID terminating the investigation as to Sapphire based on a settlement agreement.

On June 8, 2012, the ALJ issued his EID finding a violation of the Consent Order by uPI. He found importation and sale of accused products that infringe all asserted claims of the patents at issue, and importation and sale of formerly accused products that contain or use Richtek's asserted trade secrets. He found that uPI's products developed after the consent order issued did not misappropriate Richtek's asserted trade secrets. Also, he recommended enforcement measures for uPI's violation that included the following: (1) modifying the Consent Order to clarify that the Order applies (and has always applied) to all uPI affiliates, past, present, or future; and (2) imposing a civil penalty of \$750,000 against uPI. On June 25, 2012, uPI and Richtek each filed a petition for review of the EID; on July 3, 2012, Richtek, uPI, and the

Commission investigative attorney (“IA”) each filed a response to the opposing party’s petition.

On August 9, 2012, the Commission issued notice of its determination to review the following: (1) the ALJ’s finding of infringement of the ’470 patent; (2) the ALJ’s finding of infringement of the ’190 patent; and (3) the ALJ’s determination that uPI violated the Consent Order on 75 days. 77 *Fed. Reg.* 49022-23 (Aug. 15, 2012). The determinations made in the EID that were not reviewed became final determinations of the Commission by operation of rule. *See* 19 C.F.R. § 210.75(b)(3). The Commission also requested the parties to respond to certain questions concerning the issues under review and requested written submissions on the issues of remedy, the public interest, and bonding from the parties and interested non-parties.

On August 23 and 30, 2012, respectively, complainant Richtek, respondent uPI, and the IA each filed a brief and a reply brief on the issues for which the Commission requested written submissions.

Having reviewed the record in this investigation, including the EID and the parties’ written submissions, the Commission has determined to affirm-in-part, reverse-in-part, modify-in-part, and vacate-in-part the EID’s findings under review. Specifically, the Commission has affirmed the ALJ’s finding that uPI violated the consent order, and determined that the number of violation days is 62 days. The Commission has also affirmed the ALJ’s finding of direct infringement of claims 1-11 and 26-27 of the ’190 patent with respect to uPI’s formerly accused products. In addition, the Commission has vacated the ALJ’s finding that uPI does not induce infringement of claims 1-11 and 26-27 of the ’190 patent.

The Commission has also determined to reverse the ALJ’s finding that claims 29 and 34 of the ’470 patent are directly infringed by respondent uPI’s accused DC-DC controllers and products containing the same, and has determined that Richtek waived any allegations of indirect

infringement with respect to the '470 patent. This action results in a finding of no violation of the Consent Order with respect to the '470 patent.

Further, the Commission has vacated as moot the portion of the EID relating to the '717 patent because the asserted claims 1-3 and 6-9 have been cancelled following issuance of Ex Parte Reexamination Certificate No. U.S. 7,132,717 C1 on October 3, 2012.

Further, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined to impose a civil penalty of \$620,000 on respondent uPI for violation of the Consent Order on 62 days. The Commission has also determined to modify the Consent Order to clarify that the consent order applies (and has always applied) to all uPI affiliates, past, present, or future. Further, the Commission has modified the Consent Order to remove the portions relating to the '717 patent based on issuance of the reexamination certificate.

The Commission has terminated the enforcement proceeding. The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, and in section 210.75 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.75.

By order of the Commission.

Lisa R. Barton  
Acting Secretary to the Commission

Issued: November 14, 2012

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